

**STATE OF LOUISIANA**

**DEPARTMENT OF ENVIRONMENTAL QUALITY**

**IN THE MATTER OF:**

**INTERNATIONAL-MATEX  
TANK TERMINALS**

**AI #4885**

**PROCEEDINGS UNDER THE LOUISIANA  
ENVIRONMENTAL QUALITY ACT  
LA. R.S. 30:2001, ET SEQ.**

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**ENFORCEMENT TRACKING NO.  
AE-CN-03-0100**

**SETTLEMENT**

The following Settlement is hereby agreed to between International-Matex Tank Terminals (“Respondent”) and the Department of Environmental Quality (“DEQ” or “the Department”), under authority granted by the Louisiana Environmental Quality Act, La. R.S. 30:2001, et seq. (“the Act”).

**I**

Respondent is a non-Louisiana partnership who owns and/or operates a tank terminal facility located at Louisiana Highway 48 at 11842 River Road in St. Rose, St. Charles Parish, Louisiana (“the Facility”).

**II**

On March 31, 2003, the Department issued a Consolidated Compliance Order and Notice of Potential Penalty, Enforcement No. AE-CN-03-0100, to Respondent, which was based upon the following findings of fact:

The Respondent owns and/or operates a tank terminal located on Louisiana Highway 48 at 11842 River Road in St. Rose, St. Charles Parish, Louisiana. The tank terminal handles

methanol storage for clients. The facility receives and transfers product by trucks, rail cars, and marine vessels. The Methanol Operation was originally granted authority to operate under Louisiana Air Permit No. 2462, issued on November 4, 1999, which was amended to Louisiana Air Permit No. 2462-MI on January 21, 2000.

The Respondent submitted a letter to the Department dated February 11, 2003. In the February 11, 2003 letter, the Respondent detailed information regarding noncompliance issues. The February 11, 2003, letter indicated that the Respondent exceeded the permitted methanol loading throughput for the facility's loading racks and marine dock. The Respondent's Air Permit No. 2462-MI limits the St. Rose terminal's methanol loading throughput to 271,200 barrels per year from the loading racks and marine loading dock. However, the Respondent's actual methanol loading throughput for calendar years 2000, 2001, and 2002 were 6,395,540, 13,280,531 and 13,655,901 barrels per year, respectively. The Respondent attributed the noncompliance to the fact that the permit contained a transcription or typographical error. The Respondent indicated that the original permit application estimated methanol loading to be approximately 10,960,328 barrels per year, upon which the emissions presented in the application were based. The Respondent's loading rate exceedance for calendar year 2000 was reported in a letter to the Department dated February 15, 2001.

In the aforementioned February 15, 2001 letter, the Respondent reported that the emissions rate cap of 4.21 tons per year VOC (methanol) established in Air Permit No. 2462-MI for storage vessels was exceeded during calendar year 2000. The Respondent accredited the excess VOC emissions to instances of "roof landings", when tanks were operated with the internal floating roof resting on its legs, and later, to de-gassing operations as well, which resulted in vapor loss. The 4.21 tons per year VOC emission limit for storage tanks is based on

calculations that did not contemplate any roof landings. The tanks are subject to New Source Performance Standards (NSPS), 40 CFR 60 Subpart Kb, Standards of Performance for Volatile Organic Liquid Storage Vessels. As stipulated in 40 CFR 60.112b(a)(1)(i), the internal floating roof shall be floating on the liquid surface at all times, except during initial fill and during those intervals when the storage vessel is completely emptied or subsequently emptied and refilled. When the roof is resting on the leg supports, the process of filling, emptying, or refilling shall be continuous and shall be accomplished as rapidly as possible. However, in some instances, the Respondent's storage tank emptying and refilling process was not continuous and lasted for varying amounts of time, which resulted in increased VOC emissions. The Respondent addressed the excess emissions in the June 2001 Title V application and took steps during calendar year 2001 to eliminate this practice by its customers wherever possible and has reduced overall tank emissions to less than 4 tons of methanol for calendar years 2001 and 2002.

In addition, the total calculated emissions rate established based on methanol loading throughput was exceeded. These emissions, which are diverted to the vapor recovery units and thermal oxidizer, exceeded the Respondent's Air Permit No. 2462-MI cap limit of 5.24 tons per year (the cap includes emissions from the recovery units and tank and rail loading operations). The Respondent's February 14, 2002 letter stated that actual VOC emissions from the St. Rose terminal for calendar year 2001 were 6.86 tons per year from the loading operations. In addition, the Respondent's current estimated actual VOC emission rate for calendar year 2002 indicated that the twelve-month cumulative total ranges from approximately 5.64 to 8 tons per year. The Respondent stated in its March 18, 2003 letter, that after performing a record review and updating emission calculations, it was estimated that the emissions limit was first exceeded in March 2001. According to information submitted by the Respondent, an emissions limitation of

10 tons per year is consistent with the loading volume of 16,000,000 barrels per year, which represents the St. Rose terminal's normal operation. The Respondent's permit revision to correct the error has been submitted to the Department.

The Respondent's Air Permit No. 2462-MI included a VOC emission rate of 0.10 tons per year from fugitive emissions. However, the Respondent did not estimate the 1 ton per year fugitive emissions rate from piping components for the existing Methanol Operation. In addition, the Respondent failed to estimate emissions of methanol resulting from the de-pressurizing of railcars and tank trucks, which were approximately 3 tons per year. The Respondent indicated that the need to de-pressurize railcars and tank trucks was an activity that was not known to the Respondent at the time that the original permit application for the Methanol Operation was submitted.

Consequently, a combination of VOC emissions exceedances as outlined above resulted in the facility's exceedance of the facility-wide permitted VOC emission rate of 9.45 tons per year as specified in Air Permit No. 2462-MI. As indicated in the Respondent's February 11, 2003 letter, the total VOC (methanol) emissions at the tank terminal were greater than 10 tons per year causing the facility to operate as a major source of toxic air pollutants (TAPs). The Respondent submitted a Title V permit application to the Department in June 2001 to address compliance with both Federal and Louisiana TAP requirements.

The Department's investigation noted the following violations:

- A. The Respondent failed to maintain methanol loading throughput within the permitted limits of 271,200 barrels per year as specified in Louisiana Air Permit No. 2462-MI during calendar years 2000 and 2001. Each exceedance of the methanol loading throughput is a violation of Specific Condition No. 3 of Air Permit No. 2462-MI, LAC 33:III.501.C.4 and Section 2057(A)(2) of the Act.
- B. The Respondent failed to comply with NSPS, Subpart Kb in that the facility did not ensure that the internal floating roof was floating on the liquid surface at all

times except during the process of filling, emptying, or refilling and that the process was continuous and accomplished as rapidly as possible. Each failure to ensure that the tank roof was floating on the liquid surface except during the process of filling, emptying and refilling and that the process was continuous and accomplished as rapidly as possible is a violation of 40 CFR 60.112b(a)(1)(i) (which language has been adopted as a Louisiana Air Quality Regulation in LAC 33:III.3003) and Sections 2057(A)(1) and 2057(A)(2) of the Act.

- C. The Respondent failed to maintain the total calculated VOC emissions, based on the throughput of 11,065,172 barrels per year from fifteen tanks, Emission Points 314-95, 315-95, 17-99 through 25-99, 30-99, and 35-99 through 37-99, to no more than 4.21 tons per year VOC emissions. These calculated emissions are reported under an emissions cap, Emission Point 31-99. Each exceedance of the VOC emission rate is a violation of Specific Condition No. 4 of Permit No. 2462-MI, LAC 33:III.501.C.4 and Sections 2057(A)(1) and 2057(A)(2) of the Act.
- D. The Respondent failed to maintain total VOC emissions based on the loading throughput emissions diverted to the vapor recovery units and thermal oxidizer, Emission Points 26-99 thru 28-99 and 32-99 respectively, to no greater than 5.24 tons per year as specified in Louisiana Air Permit No. 2462-MI. Emissions from the recovery units are reported under an emission cap, Emission Point 29-99. Each exceedance of the emission cap is a violation of Specific Condition No. 5 of Air Permit No. 2462-MI, LAC 33:III.501.C.4 and Sections 2057(A)(1) and 2057(A)(2) of the Act.
- E. The Respondent failed to maintain fugitive emissions of VOC within the permitted limit of 0.10 tons per year. Each exceedance of the fugitive emissions rate is a violation of General Condition No. I of Air Permit No. 2462-MI, LAC 33:III.501.C.4 and Sections 2057(A)(1) and 2057(A)(2) of the Act.
- F. The Respondent failed to apply for a permit for fugitive emissions from the piping components for the existing Methanol Operation. In addition, the Respondent failed to apply for a permit for emissions of methanol resulting from the depressurizing of railcars and tank trucks. Each failure to permit emissions is a violation of General Condition No. 1 of Air Permit No. 2462-MI, LAC 33:III.501.C.2 and Sections 2057(A)(1) and 2057(A)(2) of the Act.
- G. The Respondent did not maintain the total facility-wide overall VOC emissions from the tank terminal to a permitted limit of no more than 9.45 tons per year of VOC (methanol). As a result, the Respondent emitted greater than 10 tons per year of VOC (methanol) and operated as a major source of TAPs. Thus, the Respondent failed to submit a revised Part 70 Title V permit application and obtain permit approval prior to the change in TAP emissions. This is a violation of LAC 33:III.517.A.1 and Sections 2057(A)(1) and 2057(A)(2) of the Act.

The Consolidated Compliance Order and Notice of Potential Penalty ordered the Respondent to:

- A. load no greater than 16,000,000 barrels per year of methanol from the combined Methanol Operation including the storage vessels, marine loading, railcar and tank car loading area from the date of the issuance of this Consolidated Compliance Order and Notice of Potential Penalty until a Part 70 Title V permit is issued to reflect the change in methanol loading. The 16,000,000 barrels per year loading throughput shall represent normal operation and shall not represent any expansion of the existing facility which includes the existing permitted storage vessels, marine loading, and railcar and tank car loading. The loading limit established by this Order shall apply beginning from the date of the issuance of this Consolidated Compliance Order and Notice of Potential Penalty and shall continue until such time that the Department determines based on emission data or the facility's operating conditions, that this term of the Order is no longer appropriate and/or the condition presents a risk to the public or the environment or such time that a Part 70 Title V permit is issued for the facility.
- B. submit quarterly reports to the Enforcement Division documenting the monthly methanol loading throughput. The cumulative totals including the loading throughput for the prior quarters shall be submitted to the Department. The quarterly reports shall be submitted by the 15th of the month beginning the first month after the quarter following the issuance of this Consolidated Compliance Order and Notice of Potential Penalty and shall continue until such time that a Part 70 Title V permit is issued for the facility.

If the Respondent chooses to emit VOC emissions associated with the recovery units (Emission Point No. 29-99), the following interim limits shall apply:

The Respondent shall emit no greater than a total of 10 tons per year of VOC for the loading and transfer operation from the date of the issuance of this Consolidated Compliance Order and Notice of Potential Penalty until such time that the Department determines

based on emission data or the facility's operating conditions, that this term of the Order is no longer appropriate and/or presents a risk to the public or the environment or such time that a Part 70 Title V permit is issued for the facility.

If the Respondent chooses to emit fugitive VOC emissions from the piping components and railcar/tankcar truck de-pressurization, the following interim limits shall apply:

The Respondent shall emit no greater than 1 ton per year of VOC emissions from the piping components and no greater than 3 tons per year VOC emissions from the railcar/tank truck de-pressurization. The VOC fugitive emission rate is established from the date of the issuance of this Consolidated Compliance Order and Notice of Potential Penalty until such time that the Department determines based on emission data or the facility's operating conditions that this term of the Order is no longer appropriate and/or presents a risk to the public or the environment or such time that a Part 70 Title V permit is issued for the facility.

If the Respondent chooses to emit total overall VOC emissions from the Methanol Operation facility, the following interim limits shall apply:

The Respondent shall emit no greater than 18.21 tons per year of total VOC emissions for the entire facility. The VOC total emission rate for the Methanol Operation facility is established from the date of the issuance of this Consolidated Compliance Order and Notice of Potential Penalty until such time that the Department determines based on emission data or the facility's operating conditions that this term of the Order is no longer appropriate and/or presents a risk to the public or the environment or such time that a revised permit is issued for the facility.

- C. submit a final report to the Enforcement Division within 10 days of achieving compliance with this Consolidated Compliance Order and Notice of Potential Penalty. The final report shall fully document the duration of noncompliance with all violations noted in the Finding of Facts portion of this Consolidated Compliance Order and Notice of Potential Penalty, the total quantity of VOC (methanol) emissions releases in excess of the

permitted rate for all emission sources associated with this Consolidated Compliance Order and Notice of Potential Penalty, actions taken to achieve final compliance with Paragraphs I through V of this Order, and steps taken to prevent future occurrences of violations noted in the Finding of Facts portion of this Consolidated Compliance Order and Notice of Potential Penalty.

### III

Respondent did not make a request for a hearing in response to the Consolidated Compliance Order and Notice of Potential Penalty.

### IV

Respondent denies it committed any violations or that it is liable for any fines, forfeitures and/or penalties.

### V

Nonetheless, Respondent, without making any admission of liability under state or federal statute or regulation, agrees to pay, and the Department agrees to accept, a payment in the amount of FORTY THOUSAND AND NO/100 DOLLARS (\$40,000.00) of which ONE THOUSAND TWO HUNDRED AND NO/100 DOLLARS (\$1,200.00) represents DEQ's enforcement costs, in settlement of the claims set forth in this agreement. The total amount of money expended by Respondent on cash payments to DEQ as described above, shall be considered a civil penalty for tax purposes, as required by La. R.S. 30:2050.7(E)(1).

### VI

Respondent further agrees that the Department may consider the inspection report(s), the Consolidated Compliance Order and Notice of Potential Penalty, and this Settlement for the purpose of determining compliance history in connection with any future enforcement or



permitting action by the Department against Respondent, and in any such action Respondent shall be estopped from objecting to the above-referenced documents being considered as proving the violations alleged herein for the sole purpose of determining Respondent's compliance history.

## VII

This agreement shall be considered a final order of the secretary for all purposes, including, but not limited to, enforcement under La. R.S. 30:2025(G)(2), and Respondent hereby waives any right to administrative or judicial review of the terms of this agreement.

## VIII

This settlement is being made in the interest of settling the state's claims and avoiding for both parties the expense and effort involved in litigation or an adjudicatory hearing. In agreeing to the compromise and settlement, the Department considered the factors for issuing civil penalties set forth in LSA- R. S. 30:2025(E) of the Act.

## IX

The Respondent has caused a public notice advertisement to be placed in the official journal of the parish governing authority in St. Charles Parish. The advertisement, in form, wording, and size approved by the Department, announced the availability of this settlement for public view and comment and the opportunity for a public hearing. Respondent has submitted a proof-of-publication affidavit to the Department and, as of the date this Settlement is executed on behalf of the Department, more than forty-five (45) days have elapsed since publication of the notice.

## X

Payment is to be made within ten (10) days from notice of the Secretary's signature. If payment is not received within that time, this Agreement is voidable at the option of the Department. Penalties are to be made payable to the Department of Environmental Quality and mailed to the attention of Darryl Serio, Office of Management and Finance, Financial Services Division, Department of Environmental Quality, Post Office Box 4303, Baton Rouge, Louisiana, 70821-4303.

## XI

In consideration of the above, any claims for penalties are hereby compromised and settled in accordance with the terms of this Settlement. Pending the issuance of a final Part 70 Title V permit for the facility, this settlement compromises any claims for prospective violations of Air Permit No. 2462-MI provided such violations are in compliance with the terms and conditions of the above-described Consolidated Compliance Order and Notice of Potential Penalty.

## XII

Each undersigned representative of the parties certifies that he or she is fully authorized to execute this Settlement Agreement on behalf of his/her respective party, and to legally bind such party to its terms and conditions.

WITNESSES:

[Signature]

INTERNATIONAL MATEX TANK TERMINALS

BY: [Signature]  
(Signature)

John F. Little III  
(Printed)

TITLE: Terminal Manager

Ridgely P. Myers

THUS DONE AND SIGNED in duplicate original before me this 18th day of  
December, 2003, at St. Rose, Louisiana.

[Signature]  
NOTARY PUBLIC

WITNESSES:

[Signature]  
[Signature]

STATE OF LOUISIANA

Mike D. McDaniel, Ph.D., Secretary  
Department of Environmental Quality

BY: [Signature]  
Harold Leggett, Ph.D., Assistant Secretary  
Office of Environmental Compliance

THUS DONE AND SIGNED in duplicate original before me this 30th day of  
April, 2004, at Baton Rouge, Louisiana.

[Signature]  
NOTARY PUBLIC

Approved: [Signature]  
R. Bruce Hammatt, Assistant Secretary



CHARLES C. FOTI, JR.  
ATTORNEY GENERAL

State of Louisiana  
DEPARTMENT OF JUSTICE  
P.O. BOX 94005  
BATON ROUGE  
70804-9005

**RECEIVED**  
APR 21 2004  
LA. DEPT. OF ENV. QUALITY  
LEGAL AFFAIRS DIVISION

April 19, 2004

Mike D. McDaniel, Secretary  
La. Department of Environmental Quality  
Office of the Secretary  
P.O. Box 4301  
Baton Rouge, LA 70821-4301

Re: Review of DEQ Settlement;  
International-Matex Tank Terminals  
AE-CN-03-0100

Dear Secretary McDaniel:

Pursuant to the authority granted to me by R.S. 30:2050.7(E)(2)(a), I approve the above referenced settlement.

Sincerely,

  
NICHOLAS GACHASSIN  
Attorney General

NG/cbw